

FAQ Regarding HB 462

HUD-exempt entities are going to be required to broker at least twelve FHA-insured loans per year. Is this based on a calendar or fiscal year?

Calendar year.

If a mortgage broker/company has branches, does the twelve FHA loan requirement apply to each branch?

Yes.

When is the deadline for submitting the list of FHA-insured loans brokered by the company/broker?

January 15 of the year following the reporting year.

If a mortgage company/broker/branch does not meet the twelve-loan requirement, when will it have to become licensed?

A current HUD exempt mortgage entity (lender, broker, or branch) must apply for licensure with OFI no later than 30 days after the reporting deadline of Jan. 15, 2007 if it does not meet the minimum FHA loan requirement outlined in HB 462 (12 FHA insured loans on Kentucky properties in calendar year 2006).

If an entity knows prior to the reporting deadline that they will not meet the FHA loan requirement for calendar year 2006, the entity should apply for licensure within 30 days of knowing that it will not meet the FHA loan requirement. This is to avoid possible delays in the application process that could result from heavy application volume in February 2007.

I know that my company will not broker 12 FHA-insured loans per year. Can I go ahead and get licensed now?

Absolutely. In fact, you may find that licensing in Kentucky is more cost effective than obtaining HUD approval.

The new legislation states that no more than one temporary certificate of registration will be issued within an eighteen month period. Does this pertain to the company or the loan originator?

Loan originator.

Will the temporary certificate of registration be automatically issued or will the person have to apply?

The person will have to apply for a certificate of individual registration.

Will the 12 FHA loan rule be enforced for calendar year 2006?

Yes.